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MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

TARIFFS

New Delhi, the 25th June 1955

No. 8(7)-T.B./54.—The Tariff Commission has submitted its Report on the continuance of protection to the Soda Ash Industry beyond the 31st December, 1955. Its recommendations are as follows:—

- (a) Protective duty at the standard rate of 30 per cent. should be levied, the preferential rate of duty being fixed in accordance with the Indo-U.K. Trade Agreement. Protective duties should remain in force till 31st December, 1958. If at any time it is found necessary to change the tariff value, the rates of duty should be adjusted in such a manner that the quantum of tariff protection to the industry remains the same.
- (b) Government should regulate imports of light ash in such a manner that at any time there would be a reserve of 15,000 tons of light ash in addition to the stocks sufficient to meet the full requirements of the country for three months.
- (c) Government should arrange to import 15,000 tons of light ash during the current half year at lowest prices possible through established importers or manufacturers of soda ash who should hold them in reserve for supply to places where stocks are reported to be depleted.
- (d) Government should keep a careful watch on the position of stocks in the country and arrange for replenishment of buffer stocks whenever necessary.
- (e) Government should arrange with Imperial Chemical Industries (India) Ltd, for regular and adequate imports of Magadi ash for supply to the manufacturers of glass and bichromates at a reasonable price until heavy ash is produced in the country.

- (f) Government should keep a careful watch over the selling prices of soda ash in the country and, if necessary, take suitable action under section 16(1) (d) of the Industries (Development and Regulation) Act, 1951, to regulate them.
- (g) Railway and Coastal freights on raw materials and soda ash should be reviewed in order to minimise the burden on consumers.
- (h) Relief should be given to the industry by granting rebate on the cess for salt used in the manufacture of soda ash.
- (i) Unless the domestic demand for soda ash increases considerably as a result of the new units being able to produce soda ash at lower costs and to sell it at lower prices, the industry is likely to be faced with serious difficulties owing to over-production or under-utilisation of capacity. Government should, therefore, review the whole position before any further steps are taken by the new units to implement their plans of manufacture.
- (j) Efforts should be intensified by Tata Chemicals Ltd. and Dhrangadhra Chemical Works Ltd. to reduce the consumption of raw materials to the minimum, to improve and modify the equipment so as to attain the maximum efficiency possible in the climatic conditions in India and to effect maximum economy in every operation.
- (k) Dhrangadhra Chemical Works Ltd. should take suitable measures to improve their marketing organisation so as to remove the complaints regarding the unsatisfactory working of their distribution system, and the unavailability of soda ash with their distributors.
- (l) The marketing organisations of Tata Chemicals Ltd. and Dhrangadhra Chemical Works Ltd. should exercise effective control over the prices charged by the agents and dealers appointed by them.

2. Government accept the Commission's recommendation regarding extension of the period of protection upto the 31st December, 1958. Government also accept the Commission's view that the quantum of tariff protection to the industry should remain stable. It is, however, considered that for this purpose, it would be better to levy duties at specific rates during the period of protection than to continue *ad valorem* rates and adjust them on every change in tariff value. The quantum of protection needed by the industry has been considered carefully on this basis and it has been decided that duties at the specific rates of Rs. 5-10-0 per cwt. (standard) and Rs. 4-3-0 per cwt. (preferential) on soda ash should be brought into force with immediate effect.

3. Government have taken note of recommendations (b) to (g) and (i) and propose to take suitable action on these points in due course.

4. As regards (h), Government do not consider it necessary to exempt the salt used in the manufacture of indigenous soda ash from the salt cess in view of the fact that the incidence of this cess is so small that a total remission is unlikely to benefit the consumers of indigenous soda ash to any appreciable extent.

5. The attention of the industrial units concerned is drawn to recommendations (j) to (l).

NOTIFICATIONS

TARIFFS

New Delhi, the 25th June 1955

No. 8(7)-T.B./54.—WHEREAS the Central Government is satisfied after due inquiry that the duty chargeable under the Indian Tariff Act, 1934 (XXXII of 1934), in respect of the articles specified in Item No. 28(4) of the First Schedule to the said Act, and characterised as protective in the third column thereof, has become excessive for the purpose of securing the protection intended to be afforded by it to similar articles manufactured in India;

NOW, THEREFORE, in exercise of the powers conferred by subsection (1) of section 4 of the said Act, as in force in India and as applied to the State of Pondicherry, and in supersession of the notification of the Government of India in the Ministry of Commerce and Industry, No. 8(2)-T.B./51, dated the 13th July, 1951, the Central Government hereby reduces, with effect from the 25th June, 1955, the duty of customs on the said articles so that the duty chargeable shall from the said date be as specified in column (3) of the Table annexed hereto.

THE TABLE

Item No. of Tariff	Name of Article	Rate of duty	
		1	2
28(4)	Soda Ash, including calcined natural Soda and manufactured sesqui-carbonates—		
	(a) manufactured in a British Colony	Rs. 4-3-0 per cwt.	
	(b) not manufactured in a British Colony.		Rs. 5-10-0 per cwt.

No. 8(7)-T.B./54.—In exercise of the powers conferred by subsections (2) and (3) of section 2 of the Indian Tariff Act, 1934 (XXXII of 1934), as in force in India and as applied to the State of Pondicherry, the Central Government hereby directs that with effect from the 25th June, 1955, the following further amendment shall be made in the Notification of the Government of India in the Ministry of Commerce and Industry No. 73-T(5)/54, dated the 31st August, 1954, namely:—

In Section VI of the Schedule annexed to the Said Notification, the entries relating to item No. 28(4) in the first, second and third columns shall be omitted.

L. K. JHA, Joint Secy.

